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LISTING STATEMENT No. 2122

LISTED SEPTEMBER 10, 1962

765,000 common shares without nominal or par value.

Ticker abbreviation "FR"

Post section 10.

THE TORONTO STOCK EXCHANGE

LISTING STATEMENT

A. J. FREIMAN LIMITED

Incorporated under the laws of Canada, October 1st, 1921.

Common Shares without Par Value

(Transferable in Toronto, Montreal, Ottawa,
Halifax, Winnipeg and Vancouver)

OCT 2 1962

CAPITAL SECURITIES

as at July 31, 1962

	NO. OF SHARES AUTHORIZED	NO. OF SHARES OUTSTANDING	NO. OF SHARES TO BE LISTED
4½ % Cumulative Redeemable Sinking Fund Preferred Shares of the par value of \$100 each	9,000	1,408	already listed
Class A Shares (redeemable) of the par value of \$1 each	910,000	nil	nil
Common Shares without nominal or par value	1,170,000	765,000	765,000

FUNDED DEBT

as at July 31, 1962

	AUTHORIZED	OUTSTANDING
First Mortgage Bonds	\$3,500,000	
4¾ % Serial Bonds Series A maturing \$75,000 annually on May 1, 1963 to 1965 inclusive . . .		\$ 225,000
4¾ % Sinking Fund Bonds Series A due May 1, 1975 . . .		1,237,500
6% Sinking Fund Bonds Series B due June 15, 1979 . . .		707,000
Debentures		
6½ % Sinking Fund Debentures Series A Due May 15, 1981 . . .		2,500,000
Mortgages		
6½ % Mortgage due November 30, 1965 payable in semi-annual instalments of \$8,000 each . . .		56,000
7% Mortgage due October 15, 1967 payable in annual instalments of \$5,000 each . . .		30,000

A. J. Freiman Limited

Ottawa, Ontario,
April 27, 1962.

W. C. PITFIELD & COMPANY, LIMITED,
MONTREAL, QUEBEC.

Dear Sirs,

With reference to the 208,116 outstanding Common Shares without nominal or par value in the capital of A. J. Freiman Limited (hereinafter called the "Company") offered by this prospectus, we are pleased to give you the following information.

The Company

The Company is a family directed organization which operates the largest department store business in the Ottawa area. It was incorporated in 1921 to take over and continue the retail dry goods business established in 1900 by the late A. J. Freiman. Until 1928 the Company was privately owned but in that year became public. It has grown steadily over the years and now ranks as one of the larger department store operations in Canada.

Capitalization

(After giving effect as at April 27, 1962, to the transactions given effect to in the accompanying pro forma balance sheet)

	Authorized	Outstanding
First Mortgage Bonds.....	\$3,500,000 (1)	
4¾% Serial Bonds Series A maturing \$75,000 annually on May 1, 1962 to 1965 inclusive.....		\$ 300,000
4¾% Sinking Fund Bonds Series A due May 1, 1975.....		1,237,500
6% Sinking Fund Bonds Series B due June 15, 1979.....		738,000
Debentures.....	(2)	
6½% Sinking Fund Debentures Series A due May 15, 1981.....		2,500,000
Capital Stock		
4½% Cumulative Redeemable Sinking Fund Preferred Shares of the par value of \$100 each.....	9,000 shs. (3)	1,748 shs.
Class A Shares (redeemable) of the par value of \$1 each.....	910,000 shs.	
Common Shares without nominal or par value.....	1,170,000 shs.	765,000 shs.

- (1) Of which \$3,050,000 principal amount thereof has been issued and of which \$774,500 principal amount has been retired (including \$500 purchased in 1962) and may not be reissued.
- (2) Debentures may be issued in one or more series, other than Series A, unlimited in principal amount but subject to the restrictions contained in the Trust Indenture providing for the issue of the Debentures.
- (3) 9,000 preferred shares have been issued of which 7,252 preferred shares have been purchased for cancellation including 875 purchased in 1962.

Operations

The Company operates two department stores in the City of Ottawa, the main store in the centre of the city and a branch store in a west-end suburban district. Through a wholly-owned subsidiary, Freimart Stores Ltd., it also operates a self-service discount department store on the southwest limits of the City of Ottawa in Nepean Township. The Company offers the wide variety of merchandise usually associated with large urban department store establishments. The latest merchandising and operating methods are utilized and complete credit facilities are offered to its customers.

Main Downtown Store

The Company owns its main downtown store which is a 5 storey building with full basement of approximately 250,000 square feet fronting on Rideau Street in the heart of the downtown shopping district. The Company's continuing programme of progressive modernization of its main store has included the erection of a modern multi-level 400 car parking garage and the construction of a pedestrian tunnel connecting it with the store, and the installation of complete air conditioning and escalators. Near its main store property, the Company also owns a large service and warehouse building, including a garage, having a combined floor space of approximately 85,000 square feet. Additional land, adjacent to the warehouse property, was purchased in 1960 for the future expansion of the Company's warehouse and service facilities.

West-end Store

The Company's west-end suburban department store is located in leased premises in the Westgate Shopping Centre. This store consists of two air-conditioned shopping floors, serviced by escalators, having a total floor area of approximately 60,000 square feet. The Westgate Shopping Centre, designed to provide a modern one-stop suburban shopping accommodation, comprises some 24 retail stores and service businesses with parking facilities for approximately 1,000 cars.

Freimart Stores Ltd.

Through its wholly-owned subsidiary, Freimart Stores Ltd., the Company operates a modern self-service discount department store in its 64,000 square foot specially designed premises which it leases from Shoppers City Limited. Shoppers City is a combination department store and food market of approximately 130,000 square feet, completed in November 1961, located on a 20-acre site at Base Line Road and Woodroffe Avenue in the densely populated residential area of south western Ottawa. The food market, the department store of Freimart Stores Ltd. and the related service stores are all under one roof and free parking facilities for approximately 2,200 cars at one time are provided. Both Freimart Stores Ltd. and the food market make use of the latest discount store features and their operations complement one another. Shoppers City is open six nights a week.

Development Programme

In keeping with its policy of participating in the trend towards suburban self-service discount department stores and to serve the rapidly growing suburban residential areas in the east-end of Ottawa, the Company is participating, through its wholly-owned subsidiary, Freimart Stores Ltd., in the second Shoppers City unit which is being erected on a 20-acre site originally purchased by the Company on the new Queensway super-highway in the eastern area of Ottawa. The second Shoppers City unit, now nearing completion, is a combination discount department store and food market of approximately 135,000 square feet which is scheduled to open this summer.

Canadian Department Stores

Department stores have proved popular with Canadian consumers since their introduction into this country. With the exception of the depression years, their growth has been steady. Department store sales have risen 115% from 1947 to 1961 as indicated by the following figures published by the Dominion Bureau of Statistics.

Canadian Department Stores Sales

Year	000,000s omitted	Index
1947	\$ 696.4	100
1951	910.1	131
1952	990.9	142
1953	1,027.0	147
1954	1,061.7	152
1955	1,150.5	165
1956	1,242.2	178
1957	1,281.8	184
1958	1,345.3	193
1959	1,420.3	204
1960	1,453.5	209
1961	1,499.9	215

To maintain and improve their share of the available market, department stores have extended their operations to suburban shopping centres and some are beginning to enter the field of self-service discount department stores. As indicated by the success of its Westgate Shopping Centre store and the encouraging public response to its first Freimart store, A. J. Freiman Limited has been active in the application of these new concepts of merchandising.

Purpose of Issue

The 208,116 Common Shares offered by this prospectus have been purchased from certain shareholders of the Company and their distribution to the public does not represent new financing by the Company. The proceeds from the sale of the 208,116 Common Shares offered by this prospectus will not be paid into the treasury of the Company.

Dividends

The Company has paid regular dividends on its Common Shares since August 1, 1946. It is the present intention of the Board of Directors to continue its policy of paying dividends as warranted by the earnings of the Company either in the form of cash payments or redeemable Class A Shares.

Yours truly,

A. J. FREIMAN LIMITED
(Signed) LAWRENCE FREIMAN,
President.

**A. J. FREIMAN LIMITED
and Subsidiaries (1)**

**Summary of Consolidated Earnings
for the Ten Years Ended December 31, 1961**

Year ended Dec. 31	Profit from operations before depreciation and amortization of leasehold improve- ments, net minimum rentals on major leases, long-term debt interest and income taxes	Depreciation and amortization of leasehold improvements	Profits from operations before net minimum rentals on major leases, long-term debt interest and income taxes	Net minimum rentals on major leases	Long-term debt interest	Current income taxes	Deferred income taxes (2)	Net profit before dividends on preferred shares	Dividends on preferred shares	Balance of net profit
1952	\$ 781,337	\$143,347	\$ 637,990	\$ 28,200	\$ 33,556	\$305,000	\$ —	\$271,234	\$33,969	\$237,265
1953	752,993	224,476	528,517	32,960	31,518	252,000	—	212,039	33,143	178,896
1954	964,236	148,795	815,441	42,480	29,447	336,000	49,000	358,514	32,204	326,310
1955	910,735	192,565	718,170	86,516	80,883	182,000	68,000	300,771	29,743	271,028
1956	901,855	219,567	682,288	82,320	102,678	187,000	38,000	272,290	27,806	244,484
1957	1,006,856	198,560	808,296	88,320	97,338	267,200	37,000	318,438	25,167	293,271
1958	1,184,264	219,173	965,091	100,320	92,102	331,300	46,000	395,369	23,537	371,832
1959	1,253,020	233,419	1,019,601	94,320	105,568	389,000	29,000	401,713	20,806	380,907
1960	1,374,412	250,228	1,124,184	74,820	128,009	448,000	18,000	455,355	16,573	438,782
1961	1,679,081	281,571	1,397,510	112,797	223,264	476,700	13,300	571,449	14,214	557,235

NOTES:

1. The consolidation includes three wholly-owned subsidiaries, namely, Freiman Drugs Limited, McCoy Service Limited and Freimart Stores Ltd. Freiman Drugs Limited was incorporated under the requirements of the Pharmacy Act of Ontario to operate the drug departments in the company's stores. McCoy Service Limited until December 31, 1960 operated certain departments in the company's Westgate Shopping Centre store which are now operated by the company. Freimart Stores Ltd. was incorporated in 1961 and commenced operations on November 14, 1961.
2. Provisions for income taxes from 1954 to 1961 include amounts aggregating \$298,300 in respect of deferred income taxes resulting from claiming, for income tax purposes, capital cost allowances in excess of depreciation and amortization provided in the company's accounts.
3. Discount and expenses of \$84,312 and \$24,808 on the issue of First Mortgage Bonds in 1955 and 1959, and \$98,993 on the issue of Sinking Fund Debentures in 1961 were charged to earned surplus and are not reflected in the above summary.
4. A profit of \$378,543 realized on the sale of certain land in 1961 was credited to earned surplus and is not reflected in the above summary.

**To THE DIRECTORS,
A. J. FREIMAN LIMITED:**

We have examined the summary of consolidated earnings of A. J. Freiman Limited and subsidiaries for the ten years ended December 31, 1961 and we report that, in our opinion, the above summary, supplemented by the notes thereto, presents fairly the consolidated results of the operations of A. J. Freiman Limited and subsidiaries for the ten years ended December 31, 1961.

Ottawa, Ontario, April 27, 1962.

(Signed) PRICE WATERHOUSE & Co.
Chartered Accountants.

**A. J. FREIMAN LIMITED
and Subsidiaries (1)**

**Consolidated Balance Sheet and
Pro Forma Consolidated Balance Sheet as at December 31, 1961**

After giving effect as at December 31, 1961 in the pro forma consolidated balance sheet to the following proposed transactions:

- (i) The declaration and issue of a stock dividend on March 30, 1962, of \$255,000 Class A Shares of the par value of \$1 each.
- (ii) The redemption of the outstanding Class A Shares of the par value of \$1 each for \$317,058.
- (iii) The decrease in the capital of the company from 1,400,000 to 890,000 Class A Shares of the par value of \$1 each.
- (iv) The increase in the authorized capital of the company by the creation of 20,000 additional Class A Shares of the par value of \$1 each.
- (v) The purchase for cancellation in 1962 of 875 Preferred Shares of the par value of \$100 each.
- (vi) The sub-division of the authorized 130,000 common shares without nominal or par value into 1,170,000 common shares without nominal or par value and the 85,000 issued common shares without nominal or par value into 765,000 common shares without nominal or par value.
- (vii) The charge to earned surplus of the amount of the stock dividend of \$255,000 and the corresponding reduction in tax-paid undistributed income (Note 8), the premium and commission of \$2,231 on the redemption of the Preferred Shares and the transfer of \$87,500 to capital surplus.

ASSETS

	Actual	Pro Forma
CURRENT ASSETS		
Cash.....	\$ 64,125	\$ 64,125
Accounts receivable, less allowance of \$216,000 for doubtful accounts	5,060,330	5,060,330
Merchandise valued at the lower of approximate cost or market.....	2,547,527	2,547,527
Prepaid expenses.....	143,777	143,777
	<u>7,815,759</u>	<u>7,815,759</u>
CASH SURRENDER VALUE OF LIFE INSURANCE POLICIES.....	168,011	168,011
DEFERRED CHARGES TO FUTURE OPERATIONS		
Alterations, improvements and development expenses, less amortization...	222,480	222,480
FIXED ASSETS (Note 2)		
Land.....	1,047,500	1,047,500
Buildings and equipment, less accumulated depreciation of \$3,069,004....	3,273,082	3,273,082
Leasehold improvements, less amortization.....	1,081,731	1,081,731
	<u>5,402,313</u>	<u>5,402,313</u>
OTHER ASSETS		
Queensway properties (Note 3).....	789,835	789,835
Investment in bonds, at cost (approximate market value \$30,000).....	33,750	33,750
	<u>823,585</u>	<u>823,585</u>
	<u><u>\$14,432,148</u></u>	<u><u>\$14,432,148</u></u>

LIABILITIES

CURRENT LIABILITIES		
Bank loan and overdraft.....	\$ 2,273,226	\$ 2,680,015
Accounts payable and accrued liabilities.....	1,540,928	1,540,928
Long term debt due within one year.....	177,500	177,500
Taxes on income.....	235,529	235,529
	<u>4,227,183</u>	<u>4,633,972</u>
LONG TERM DEBT (Note 4).....	4,742,500	4,742,500
DEFERRED INCOME TAXES—RESERVE (Note 5).....	298,300	298,300
CAPITAL AND SURPLUS		
4½% Cumulative Redeemable Sinking Fund Preferred Shares (Note 6)...	262,300	174,800
Class A Shares (Note 7).....	62,058	—
Common Shares without nominal or par value—		
Actual	Pro Forma	
Authorized—130,000 shares	1,170,000 shares	
Issued — 85,000 shares.....	765,000 shares.....	
	475,700	475,700
Capital surplus—arising from the purchase for cancellation of 6,377 (pro forma 7,252) 4½% Preferred Shares.....	637,700	725,200
Earned surplus (Note 8).....	3,726,407	3,381,676
	<u>5,164,165</u>	<u>4,757,376</u>
	<u><u>\$14,432,148</u></u>	<u><u>\$14,432,148</u></u>

The Notes on page 6 form an integral part of the above consolidated balance sheets and should be read in conjunction therewith.

Approved on behalf of the Board:

(Signed) LAWRENCE FREIMAN, Director

(Signed) F. A. MATATALL, Director

A. J. FREIMAN LIMITED
and Subsidiaries (1)

**Notes to Consolidated Balance Sheet and Pro Forma Consolidated Balance Sheet
as at December 31, 1961**

1. The consolidation includes three wholly-owned subsidiaries, namely, Freiman Drugs Limited, McCoy Service Limited and Freimart Stores Ltd. Freiman Drugs Limited was incorporated under the requirements of the Pharmacy Act of Ontario to operate the drug departments in the Company's stores. McCoy Service Limited until December 31, 1960 operated certain departments in the Company's Westgate Shopping Centre store which are now operated by the Company. Freimart Stores Ltd. was incorporated in 1961 and commenced operations on November 14, 1961.

2. Land, buildings and equipment may be summarized as follows:

Land, per March 1928 appraisal.....	\$ 553,000
Subsequent additions, at cost.....	494,500
	<u>\$1,047,500</u>
Buildings and equipment, per March 1928 appraisal.....	\$ 661,350
Subsequent net additions, at cost.....	5,680,736
	<u>\$6,342,086</u>

The 1928 appraisal was made by Messrs. J. A. Ewart and A. H. Fitzsimmons.

3. The Queensway properties carried on the balance sheet at a cost, including carrying charges, of \$789,835 represents the remaining properties on hand after a sale of certain of the Queensway land to an organization engaged in the construction and development of a shopping centre. The sale of land resulted in a profit of \$378,543. The Company has entered into an agreement to lease space on a long-term basis in a shopping centre presently being constructed on the land sold at a minimum annual rental of \$150,000. It is estimated that the total cost of equipping, developing and stocking this store will amount to approximately \$800,000.

4. Long Term Debt appearing in the accompanying balance sheet is as follows:

First Mortgage Bonds—

4¾% Serial Bonds Series A maturing \$75,000 annually on May 1, 1962 to 1965 inclusive.....	\$ 300,000		
4¾% Sinking Fund Bonds Series A maturing May 1, 1975.....	<u>1,238,000</u>	\$1,538,000	
6% Sinking Fund Bonds Series B maturing June 15, 1979.....		<u>738,000</u>	\$2,276,000
6½% Sinking Fund Debentures Series A maturing May 15, 1981.....			<u>2,500,000</u>
6% Mortgage due June 1, 1963.....		\$ 50,000	
6½% Mortgage due November 30, 1965, payable in semi-annual instalments of \$8,000 each.....		64,000	
7% Mortgage due October 15, 1967, payable in annual instalments of \$5,000 each.....		<u>30,000</u>	<u>144,000</u>
			<u>\$4,920,000</u>
Deduct: Payments due within one year included in current liabilities.....			<u>177,500</u>
			<u>\$4,742,500</u>

5. In addition to normal depreciation and amortization recorded in the accounts, capital cost allowances of \$25,559 have been deducted from income for income tax purposes. The resulting income tax deferment of \$13,300 has been added to the amount of \$285,000 deferred in prior years.

6. 4½% Cumulative Redeemable Sinking Fund Preferred Shares of the par value of \$100 each:
- | | Actual | Pro Forma |
|--|---------------------|---------------------|
| Authorized and issued..... | 9,000 shares | 9,000 shares |
| Purchased for redemption and cancellation..... | <u>6,377 shares</u> | <u>7,252 shares</u> |
| Outstanding..... | <u>2,623 shares</u> | <u>1,748 shares</u> |

7. Class A Shares of the par value of \$1 each:

Actual balance sheet—

Authorized.....	1,400,000 shares
Issued.....	<u>255,000 shares</u>
Redeemed and cancelled.....	<u>192,942 shares</u>
Outstanding.....	<u>62,058 shares</u>

Pro Forma balance sheet—

Authorized.....	910,000 shares
Issued.....	<u>510,000 shares</u>
Redeemed and cancelled.....	<u>510,000 shares</u>
Outstanding.....	<u>Nil</u>

8. This includes tax paid undistributed income of \$1,164,907 as at December 31, 1961 which will be reduced to \$909,907 after giving effect to Item (vi) of the head note to the Balance Sheet. During the year the Company elected to be taxed on its undistributed income as at December 31, 1949 in accordance with Section 105(1) of the Income Tax Act. The tax payable amounted to \$250,572.

9. An amount of \$164,525 is to be set aside on or before May 1, 1962 to provide for sinking fund obligations of the Company in respect of its 4½% Preferred Shares.

10. Trust Indentures, pursuant to which the bonds and debentures of the Company have been issued, provide that the Company will not declare or pay any dividends (other than stock dividends) on, or redeem, any common shares or shares issued as stock dividends unless, immediately after such action,

- (a) the consolidated net current assets of the Company and its subsidiaries exceed the lesser of \$2,000,000 or 50% of the aggregate principal amount of the funded obligations of the Company and its subsidiaries, and
- (b) the aggregate amount declared as dividends, distributed and/or paid on redemption, subsequent to January 1, 1961 in respect of common shares or stock issued as dividends is not greater than the consolidated net earnings of the Company and its subsidiaries during the period commencing January 1, 1960.

In addition, so long as any of the 4½% preferred shares remain outstanding, the aggregate of all amounts declared or paid as dividends on capital stock and/or paid on redemption of Class A shares during any fiscal year shall not exceed 50% of the consolidated net earnings of the Company available for dividends for the next preceding fiscal year of the Company.

11. Minimum rentals under major leases amount to \$393,840 per annum including \$150,000 in respect of the space in a shopping centre presently being constructed as referred to in Note 3.

Auditors' Report

To the Directors,

A. J. FREIMAN LIMITED:

We have examined the consolidated balance sheet and pro forma consolidated balance sheet of A. J. Freiman Limited and its subsidiaries as at December 31, 1961 and have obtained all the information and explanations we have required. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, the above consolidated balance sheet, together with the notes thereto, presents fairly the financial position of the company and its subsidiaries as at December 31, 1961 according to the best of our information and the explanations given to us and as shown by the books of the companies.

In our opinion, the pro forma consolidated balance sheet, together with the notes thereto, presents fairly the financial position of the company and its subsidiaries as at December 31, 1961, after giving effect as at that date to the proposed transactions set forth in the head note to the consolidated balance sheets.

(Signed) PRICE WATERHOUSE & Co.
Chartered Accountants

OTTAWA, Ontario, April 27, 1962

Statutory Information

1. The full name of the Company is A. J. Freiman Limited (hereinafter called the "Company"). The address of the Company's head office is 73 Rideau Street, Ottawa, Ontario.
2. The Company was incorporated under the laws of Canada by letters patent dated October 1, 1921. Supplementary letters patent dated April 11, 1928, April 24, 1928, April 15, 1946, July 24, 1946, April 12, 1955, April 28, 1961 and April 24, 1962 have been issued to the Company.
3. The general nature of the business actually transacted by the Company is the operation of department stores in the City of Ottawa and environs.
4. The name in full, present occupation and home address in full of each of the directors and officers of the Company are as follows:

Directors

LAWRENCE FREIMAN.....	Merchandising Executive.....	250 Sylvan Road, Rockcliffe Park, Ontario.
DOROTHY ALEXANDOR.....	Married Woman.....	68 Park Road, Rockcliffe Park, Ontario.
GEORGE EDWIN BEAMENT, Q.C.....	Barrister.....	234 Driveway, Ottawa, Ontario.
CHARLES GAVSIE, Q.C.....	Advocate.....	3225 Cedar Avenue, Westmount, Quebec.
SYDNEY HERMANT.....	Manufacturer.....	212 Heath Street West, Toronto, Ontario.
QUEENE LUXENBERG.....	Married Woman.....	72 Old Forest Hill Road, Toronto, Ontario.
FREDERICK ALMON MATATALL.....	Merchandising Executive.....	R.R. No. 2, Bell's Corners, Ontario.
WARD CHIPMAN PITFIELD.....	Investment Dealer.....	6 Highland Avenue, Toronto, Ontario.

Officers

LAWRENCE FREIMAN.....	President and Managing Director.....	250 Sylvan Road, Rockcliffe Park, Ontario.
FREDERICK ALMON MATATALL.....	Executive Vice-President.....	R.R. No. 2, Bell's Corners, Ontario.
BENJAMIN LUXENBERG, Q.C.....	Secretary..... Barrister	72 Old Forest Hill Road, Toronto, Ontario.
BERNARD MORRIS ALEXANDOR, Q.C.....	Treasurer..... Barrister	68 Park Road, Rockcliffe Park, Ontario.
GEORGE WOOSTER.....	Assistant Secretary..... Accountant	543 Wolfdale Avenue, Ottawa, Ontario.

5. The auditors of the Company are Messrs. Price Waterhouse & Co., Chartered Accountants, 77 Metcalfe Street, Ottawa, Ontario.

6. The Royal Trust Company at its offices in the Cities of Toronto, Montreal, Winnipeg and Vancouver is the registrar for the $4\frac{3}{4}\%$ First Mortgage Serial Bonds Series A, the $4\frac{3}{4}\%$ First Mortgage Sinking Fund Bonds Series A and the 6% First Mortgage Sinking Fund Bonds Series B. Registers upon which coupon Bonds may be registered as to principal only and upon which fully registered Bonds are registered and upon which transfers of Bonds so registered may be recorded are kept by the said registrar at its offices in the said cities. The Royal Trust Company at its offices in the Cities of Toronto, Montreal, Winnipeg, and Vancouver is the registrar for the $6\frac{1}{2}\%$ Sinking Fund Debentures Series A, at which offices coupon Debentures may be registered as to principal only and fully registered Debentures are registered and Debentures so registered may be transferred. The Royal Trust Company at its offices in the Cities of Toronto, Montreal and Ottawa is the registrar and transfer agent for the $4\frac{1}{2}\%$ Cumulative Redeemable Sinking Fund Preferred Shares of the par value of \$100 each and at its offices in the Cities of Toronto, Montreal, Ottawa, Halifax, Winnipeg and Vancouver is the registrar and transfer agent for the Common Shares without nominal or par value in the capital stock of the Company.

7. The authorized share capital of the Company consists of 9,000 $4\frac{1}{2}\%$ Cumulative Redeemable Sinking Fund Preferred Shares of the par value of \$100 each, 910,000 Class A Shares of the par value of \$1 each, and 1,170,000 Common Shares without nominal or par value, of which 9,000 $4\frac{1}{2}\%$ Cumulative Redeemable Sinking Fund Preferred Shares and 510,000 Class A Shares and 765,000 Common Shares have been issued and of which at the date hereof 1,748 $4\frac{1}{2}\%$ Cumulative Redeemable Sinking Fund Preferred Shares and 765,000 Common Shares are outstanding as fully paid and non-assessable.

8. The description of the respective voting rights, preferences, rights to dividends, profits or capital of the $4\frac{1}{2}\%$ Cumulative Redeemable Sinking Fund Preferred Shares and the Common Shares, including redemption rights and rights on liquidation or distribution of capital assets, there being no conversion or exchange rights, is as follows:

- (1) The holders of the preferred shares shall be entitled to receive and the Company shall pay thereon as and when declared by the board of directors out of the moneys of the Company properly applicable to the payment of dividends fixed cumulative preferential cash dividends at the rate of four and one-half per cent ($4\frac{1}{2}\%$) per annum on the par value thereof payable quarterly on the 1st days of February, May, August and November in each year. Such dividends shall accrue from the 1st day of May, 1946, and shall be declared and paid or set apart for payment in respect of the current quarterly dividend period and all previous quarterly dividend periods before any dividends

shall be declared or paid or set aside for any other shares of the Company. Warrants or cheques of the Company payable at par at any branch of the Company's bankers for the time being in Canada (far northern branches excepted) shall be issued in respect of such dividends and payment thereof shall satisfy such dividends. If on any dividend payment date the dividends payable on such date are not paid in full on all of the preferred shares then issued and outstanding, such dividends or the unpaid part thereof shall be paid as and when declared by the board of directors on a subsequent dividend payment date or dates on which the Company shall have sufficient moneys properly applicable to the payment of the same. The holders of the preferred shares shall not be entitled to any dividends other than or in excess of the cash dividends hereinbefore provided.

- (2) In the event of the liquidation, dissolution or winding-up of the Company or other distribution of assets of the Company among shareholders for the purpose of winding-up its affairs the holders of the preferred shares shall be entitled to receive the par value of such shares together with all unpaid, preferential dividends (which for such purpose shall be calculated as if such dividends were accruing up to the date of distribution) and if such liquidation, dissolution, winding-up or distribution be voluntary an additional amount equal to 5% of the par value of such shares before any amount shall be paid or any property or assets of the Company distributed to the holders of any common shares or shares of any other class ranking junior to the preferred shares. After payment to the holders of the preferred shares of the amount so payable to them they shall not be entitled to share in any further distribution of the property or assets of the Company.
- (3) So long as any of the preferred shares remain outstanding and the Company is not in arrears in payment of any quarterly dividends thereon, the Company shall set aside as a sinking fund to be used for the redemption or retirement of preferred shares
 - (i) on or before the first (1st) day of May in each of the years one thousand nine hundred and forty-seven (1947) to one thousand nine hundred and fifty-five (1955) inclusive a sum equal to ten per cent (10%) of the net earnings of the Company (as herein defined) for the preceding fiscal year of the Company; and
 - (ii) on or before the first (1st) day of May in each year commencing with the year one thousand nine hundred and fifty-six (1956) a sum equal to twenty per cent (20%) of the net earnings of the Company (as herein defined) for the preceding fiscal year of the Company.

For the purposes hereof the term "net earnings of the Company" shall mean the balance of profits of the Company as determined by the Company's auditors after all usual and proper charges have been deducted including without limiting the generality of the foregoing provisions for depreciation and amortization properly charged to earnings and after providing for taxes including income and excess profits taxes and after deducting interest on indebtedness and an amount equal to the dividends on the preferred shares for such fiscal year at the full stipulated rate together with the amount of any unpaid dividends on the preferred shares for any preceding year or years to the extent that such deduction shall not have previously been made for such unpaid dividends in calculating the amount of the sinking fund in respect of any such year or years. A certificate of the Company's auditors for the time being as to the amount of net earnings of the Company available for the sinking fund or as to the absence thereof shall be conclusive and binding on the Company, the holders of the preferred shares and the holders of shares of every other class and shall not be called in question.

Any sum of money thus set apart on account of the sinking fund shall be immediately applied by the Company in the purchase (if obtainable) of preferred shares in the market at not exceeding the price provided in paragraph 4. On the expiration of three months after any such money has been set aside such amount as has not been applied in manner aforesaid by reason of preferred shares not being obtainable at or under the price aforesaid shall be applied to the redemption of outstanding preferred shares at the price and in the manner hereinafter set forth for the redemption of preferred shares; provided that the Company shall not be required to call preferred shares for redemption out of such moneys unless the sum of at least \$25,000 is standing to the credit of the sinking fund. The Company may at any time anticipate the whole or any part of the sinking fund obligation by purchasing or redeeming preferred shares as herein provided and charging the cost of such preferred shares in reduction of the amounts of any sinking fund obligations thereafter becoming due. Any preferred shares purchased and/or redeemed out of or by means of the sinking fund shall be cancelled and retired and the amount of the outstanding preferred shares shall be reduced accordingly.

- (4) Subject to the provisions of paragraph 7 hereof the Company may at any time or times purchase (if obtainable) for cancellation the whole or any part of the preferred shares outstanding from time to time in the market or by invitation for tenders addressed to all the holders of record of the preferred shares outstanding at the lowest price at which in the opinion of the board of directors such shares are obtainable but not exceeding \$105 per share and costs of purchase and all unpaid preferential dividends (which for such purpose shall be calculated as if such dividends were accruing up to the date of purchase). From and after the date of purchase of any preferred shares under the provisions in this paragraph contained the shares so purchased shall be deemed to be redeemed and shall be cancelled.
- (5) Subject to the provisions of paragraph 7 hereof, the Company may upon giving notice as hereinafter provided redeem at any time the whole or from time to time any part of the then outstanding preferred shares on payment for each share to be redeemed of \$105 per share together with all unpaid preferential dividends (which for such purpose shall be calculated as if the dividends on the preferred shares were accruing up to the date of such redemption). In case a part only of the then outstanding preferred shares is at any time to be redeemed, the shares so to be redeemed shall be selected by lot in such manner as the directors in their discretion shall decide or if the directors so determine may be redeemed pro rata disregarding fractions.
- (6) In any case of redemption of preferred shares under the provisions of the last preceding paragraph 5 hereof, the Company shall at least thirty (30) days before the date specified for redemption mail to each person who at the date of mailing is a registered holder of preferred shares to be redeemed a notice in writing of the intention of the Company to redeem such preferred shares. Such notice shall be mailed in a prepaid letter addressed to each such shareholder at his address as it appears on the books of the Company or in the event of the address of any such shareholder

not so appearing then to the last known address of such shareholder; provided, however, that accidental failure to give any such notice to one or more of such holders shall not affect the validity of such redemption. Such notice shall set out the redemption price and the date on which redemption is to take place and if part only of the shares held by the person to whom it is addressed is to be redeemed the number thereof so to be redeemed. On or after the date so specified for redemption the Company shall pay or cause to be paid to or to the order of the registered holders of the preferred shares to be redeemed the redemption price on presentation and surrender at the head office of the Company, or any other place designated in such notice, of the certificates for the preferred shares called for redemption. Such preferred shares shall thereupon be and be deemed to be redeemed and shall be cancelled. If a part only of the shares represented by any certificate be redeemed, a new certificate for the balance shall be issued at the expense of the Company. From and after the date specified in any such notice, the preferred shares called for redemption shall cease to be entitled to dividends and the holders thereof shall not be entitled to exercise any of the rights of shareholders in respect thereof unless payment of the redemption price shall not be made upon presentation of certificates in accordance with the foregoing provisions, in which case the rights of the holders shall remain unaffected. Should the holders of any preferred shares so called for redemption fail to present the certificates representing such shares on the date specified for redemption the Company shall have the right to deposit the redemption price of such shares to a special account in any chartered bank or any trust company in Canada to be paid without interest to or to the order of the respective holders of such preferred shares called for redemption upon presentation and surrender to such bank or trust company of the certificates representing the same and upon such deposit being made the preferred shares in respect whereof such deposit shall have been made shall be deemed to be redeemed and shall be cancelled and the rights of the holders thereof after such deposit shall be limited to receiving without interest their proportionate part of the total redemption price so deposited against presentation and surrender of the said certificates held by them respectively.

- (7) No dividends shall at any time be declared or paid on or set apart for the common shares or any of them or any other shares of the Company junior to the preferred shares nor shall the Company call for redemption and/or purchase any preferred shares less than the total amount then outstanding unless all accrued dividends (up to the expiration of the last quarterly dividend period) on the preferred shares then issued and outstanding shall have been declared and paid or provided for at the date of such declaration or payment or setting apart or call for redemption or purchase.
- (8) The holders of the preferred shares shall be entitled to receive notice of all meetings of shareholders and to five (5) votes in respect of each preferred share held. Each common share shall carry the right to one vote at all meetings of shareholders.
- (9) The holders of the preferred shares shall not be entitled as of right to subscribe for or purchase or receive any part of any issue of shares or of bonds, debentures or other securities of the Company now or hereafter authorized.
- (10) Subject as hereinafter provided, so long as any of the preferred shares are outstanding the Company shall not without but may from time to time with the approval of the holders of the preferred shares hereinafter specified
 - (a) authorize or create any other or additional preferred shares ranking in priority to or *pari passu* with the preferred shares;
 - (b) create any mortgage, lien, charge or encumbrance of any kind on any part of the real estate, machinery or fixed equipment of the Company, provided, however, that this restriction shall not apply nor shall it operate to prevent
 - (i) the assuming or giving of purchase money mortgages or other purchase money liens on property acquired by the Company after December 31, 1945, or the acquiring of property after December 31, 1945, subject to any mortgage, lien, charge or encumbrance thereon existing at the time of such acquisition or the giving of mortgages or additional mortgages on any property acquired after December 31, 1945, provided that in each of such cases such mortgage, lien, charge or encumbrance shall not exceed $66\frac{2}{3}\%$ of the actual cost (including therein the principal amount of the indebtedness secured by such mortgage, lien, charge or encumbrance) or fair value (determined by an appraiser appointed by resolution of the board of directors of the Company) whichever shall be less of the property so acquired plus $66\frac{2}{3}\%$ of the cost or fair value whichever shall be less of any improvements thereon erected by the Company subsequent to the acquisition thereof by the Company; or
 - (ii) the renewing or refunding or replacing of any mortgage, lien, charge or encumbrance permitted under subdivision (i) of this subparagraph to the extent of the principal amount of the indebtedness secured by any such mortgage, lien, charge or encumbrance at the time of such renewal or refunding or replacing; or
 - (iii) the increase, renewal, refunding and/or replacing of a certain mortgage in favour of Metropolitan Life Insurance Company maturing June 1, 1949, provided that the principal indebtedness upon such increase, renewal, refunding and/or replacing shall not exceed 50% of the fair value of the real estate, machinery and fixed equipment of the Company covered by such mortgage, such fair value to be determined by an appraiser appointed by resolution of the board of directors of the Company; or
 - (iv) the borrowing of money from or the giving of security to any bank or banks under The Bank Act of Canada or otherwise for present or future debts or liabilities of the Company to such bank or banks provided that such debts or liabilities shall be repayable not more than eighteen months after the creation, incurring or renewal thereof;
 - (c) make any repayment of paid-up capital on any common shares or on any other shares ranking junior to the preferred shares;
 - (d) sell or otherwise dispose of by conveyance, transfer, lease or otherwise the assets and undertaking of the Company as an entirety or substantially as an entirety.
- (11) The approval of the holders of the preferred shares as to any and all matters referred to herein may be given by an instrument or instruments in writing signed by the holders of not less than

two-thirds of the outstanding preferred shares or by resolution passed or by-law sanctioned at a meeting of the holders of the preferred shares duly called and held upon at least fifteen days' notice at which the holders of at least a majority of the outstanding preferred shares are present or represented by proxy and carried by the affirmative vote of the holders of not less than two-thirds of the preferred shares represented and voted at such meeting cast on a poll. If at any such meeting the holders of a majority of the outstanding preferred shares are not present or represented by proxy within half an hour after the time appointed for the meeting then the meeting shall be adjourned to such date, being not less than fifteen days later, and to such time and place as may be appointed by the Chairman of the meeting and at least ten days' notice shall be given of such adjourned meeting but it shall not be necessary in such notice to specify the purpose for which the meeting was originally called. At such adjourned meeting the holders of preferred shares present or represented by proxy may transact the business for which the meeting was originally convened and a resolution passed thereat by the affirmative votes of the holders of not less than two-thirds of the preferred shares represented and voted at such adjourned meeting cast on a poll shall constitute the approval of the holders of the preferred shares referred to above. The formalities to be observed with respect to the giving of notice of any such meeting or adjourned meeting and the conduct thereof shall be those from time to time prescribed in the by-laws of the Company with respect to meetings of shareholders.

- (12) The foregoing provisions may be repealed, altered, modified, amended or amplified by supplementary letters patent but only with the approval of the holders of the preferred shares hereinbefore specified in addition to any vote or approval required by The Companies Act, 1934.

The description of the respective voting rights, preferences, rights to dividends, profits or capital of the Class A Shares, including redemption rights and rights on liquidation or distribution of capital assets, there being no conversion or exchange rights, is as follows:

- (1) The Class A Shares shall carry the right to a fixed non-cumulative preferential dividend at the rate of 1% per annum payable yearly and the right in the liquidation or winding up of the Company to repayment of capital in priority to the Common Shares but they shall not confer the right to any further participation in profits or assets.
- (2) The 4½% Cumulative Redeemable Sinking Fund Preferred Shares shall rank both as regards dividend and return of capital in priority to the Class A Shares of the Company.
- (3) The Company may, upon giving notice as hereinafter provided, redeem the whole or any part of the Class A Shares on payment for each share to be redeemed of the amount paid up thereon, together with all dividends declared thereon and unpaid; in case a part only of the then outstanding Class A shares is at any time to be redeemed, the shares so to be redeemed shall be selected by lot in such manner as the directors in their discretion shall decide or, if the directors so determine, may be redeemed pro rata, disregarding fractions, and the directors may make such adjustments as may be necessary to avoid the redemption of fractional parts of shares; not less than 5 days' notice in writing of such redemption shall be given by mailing such notice to the registered holders of the shares to be redeemed, specifying a date and place or places of redemption; if notice of any such redemption be given by the Company in the manner aforesaid and an amount sufficient to redeem the shares be deposited with any trust company or chartered bank in Canada as specified in the notice on or before the date fixed for redemption, dividends on the Class A Shares to be redeemed shall cease after the date so fixed for redemption and the holders thereof shall thereafter have no rights against the Company in respect thereof except, upon the surrender of certificates for such shares, to receive payment therefor out of the moneys so deposited; after the redemption price of such shares has been deposited with any trust company or chartered bank in Canada, as aforesaid, notice shall be given to the holders of any Class A Shares called for redemption who have failed to present the certificates representing such shares within 2 months of the date specified for redemption that the money has been so deposited and may be obtained by the holders of the said Class A shares upon presentation of the certificates representing such shares called for redemption at the said trust company or chartered bank.
- (4) Subject to confirmation by supplementary letters patent the directors of the Company may at any time or times or from time to time enact a by-law or by-laws whereby the terms hereof and of the foregoing paragraphs may be altered, amended or repealed or the application thereof suspended in any particular case and changes made in the rights, privileges, restrictions and qualifications attaching to the said Class A Shares.

9. No bonds or debentures are outstanding or proposed to be issued nor are any other securities issued or proposed to be issued by the Company which if issued would rank ahead of or pari passu with the shares offered by this prospectus other than the following:

- (a) \$300,000 principal amount of 4¾% First Mortgage Serial Bonds Series A
\$1,237,500 principal amount of 4¾% First Mortgage Sinking Fund Bonds Series A
\$738,000 principal amount of 6% First Mortgage Sinking Fund Bonds Series B

all of which were issued under a Deed of Trust and Mortgage dated as of April 15, 1955 and a Supplemental Deed of Trust and Mortgage dated as of June 15, 1959 between the Company and The Royal Trust Company, as Trustee, authorizing \$3,500,000 principal amount of First Mortgage Bonds, of which \$3,050,000 principal amount has been issued and of which \$774,500 principal amount has been retired and may not be reissued, and are secured by a first fixed and specific mortgage, hypothec, pledge and charge upon all the real and immoveable freehold properties owned by the Company at the date thereof or thereafter acquired and the Company's interest in the leasehold premises comprised in the Company's Westgate Shopping Centre department store and in the Company's parking garage and a first floating charge on the undertaking, properties and assets of the Company in the Province of Ontario then owned or thereafter acquired and not validly subjected to the foregoing specific mortgage, hypothec, pledge and charge.

The 4¾% First Mortgage Serial Bonds Series A are dated May 1, 1955 and mature serially at the rate of \$75,000 annually on May 1 in each of the years 1962 to 1965 inclusive.

The 4¾% First Mortgage Sinking Fund Bonds Series A are dated May 1, 1955 and mature May 1, 1975. There is a sinking fund for the 4¾% First Mortgage Sinking Fund Bonds Series A requiring payment by the Company of a sum sufficient to retire \$37,500 principal amount on May 1 in each of the years 1962

to 1965, inclusive, and a sum sufficient to retire \$112,500 principal amount on May 1 in each of the years 1966 to 1974, inclusive.

The 6% First Mortgage Sinking Fund Bonds Series B are dated June 15, 1959 and mature June 15, 1979. There is a sinking fund for the 6% First Mortgage Sinking Fund Bonds Series B requiring payment by the Company of a sum sufficient to retire \$31,000 principal amount on June 15 in each of the years 1962 to 1978, inclusive.

Reference is also made to \$144,000 principal amount of mortgages of the Company, particulars of which are set out in Note 4 to the consolidated balance sheets of the Company and its subsidiaries forming part of this prospectus.

(b) \$2,500,000 principal amount of 6½% Sinking Fund Debentures Series A which were issued under a Trust Indenture and an Indenture supplemental thereto both dated as of May 15th, 1961 between the Company and The Royal Trust Company, as Trustee, authorizing \$2,500,000 principal amount of Series A Debentures and authorizing the issue of additional Debentures of one or more series, other than Series A, unlimited in amount but subject to the restrictions contained in the Trust Indenture, of which \$2,500,000 principal amount of Series A Debentures has been issued and are secured, subject to the prior charges created by the Deed of Trust and Mortgage dated as of April 15th, 1955 as supplemented by all Supplemental Deeds of Trust and Mortgage supplemental thereto securing the First Mortgage Bonds of the Company and to all First Mortgage Bonds then or thereafter issued thereunder, by a floating charge on the undertaking, properties and assets of the Company in the Province of Ontario then owned or thereafter acquired.

The 6½% Sinking Fund Debentures Series A are dated May 15th, 1961 and mature May 15th, 1981. There is a sinking fund for the 6½% Series A Sinking Fund Debentures requiring payment by the Company of a sum sufficient to retire \$100,000 principal amount on May 15th in each of the years 1963 to 1980 inclusive.

(c) 1,748 4½% Cumulative Redeemable Sinking Fund Preferred Shares of the par value of \$100 each.

(d) Class A Shares may be issued from time to time as stock dividends as the directors may determine.

10. No substantial indebtedness is to be created or assumed which is not shown on the accompanying pro forma consolidated balance sheet of the Company and its subsidiaries as at December 31, 1961 and the Notes thereto except that the Company proposes from time to time to borrow from its bank for general corporate purposes and to carry out its development programme in amounts which are not presently determinable.

11. No securities of the Company are covered by options outstanding or proposed to be given. Reference is made, however, to paragraph **16** hereof.

12. The number of securities offered by this prospectus and their correct descriptive title and the issue price to the public and the terms thereof are as stated on the front page of this prospectus, to which reference is hereby expressly made.

Under agreement dated April 28, 1961 the Company sold to W. C. Pitfield & Company, Limited, on its own behalf as underwriter, \$2,500,000 principal amount of 6½% Sinking Fund Debentures Series A, due May 15, 1981 for the sum of \$2,412,500 and accrued interest paid in cash to the Company.

No other securities have been offered for subscription by the Company within the two years preceding the date of this prospectus.

13, 14 & 15. The securities offered by this prospectus are outstanding shares and no proceeds from the sale thereof will be received by the Company.

16. Under agreement dated April 27, 1962 Lawrence Freiman, Dorothy Alexandor and Queene Luxenberg agreed to sell and W. C. Pitfield & Company, Limited agreed to buy on its own behalf as underwriter 208,116 common shares without nominal or par value in the capital of the Company for \$1,883,449.80 payable in cash against delivery of certificates in definitive form representing the said common shares on or about May 14, 1962, upon the terms and conditions in the said agreement set forth.

17. The by-laws of the Company provide for the remuneration of the directors as follows:

"The remuneration to be paid the directors shall be such as the board shall from time to time determine and such remuneration shall be in addition to the salary paid to any officer of the Company who is also a member of the board of directors. The directors may also by resolution award special remuneration to any director undertaking any special services on the Company's behalf other than the routine work ordinarily required of a director by the Company and the confirmation of any such resolution or resolutions by the shareholders shall not be required."

18. The aggregate remuneration paid by the Company during its last financial year to directors of the Company, as such, was \$6,750 and to officers of the Company, as such, who individually received remuneration in excess of \$10,000 per annum, was \$115,478. The aggregate remuneration estimated to be paid or payable during the current financial year to directors of the Company, as such, is \$8,000 and to officers of the Company, as such, who individually may be entitled to receive remuneration in excess of \$10,000 per annum, is \$120,000.

19. No amount has been paid by the Company within the two years preceding the date hereof or is now payable as a commission for subscribing or agreeing to subscribe or procuring or agreeing to procure subscriptions for any shares in or obligations of the Company. Reference is made however to paragraph **12** hereof.

20. The Company has been carrying on business for more than one year.

21 & 22. Except for transactions entered into or to be entered into in the ordinary course of operations or on the general credit of the Company no property has been purchased or acquired by the Company or is proposed to be purchased or acquired by the Company the purchase price of which has been paid within the two years preceding the date hereof or is to be paid in whole or in part in securities of the Company or the purchase or acquisition of which has not been completed at the date hereof. None of the proceeds of the sale of the common shares offered by this prospectus will be paid to the Company.

23. Within the two years preceding the date hereof no securities have been issued or agreed to be issued as fully or partly paid up otherwise than in cash other than

- (a) 255,000 Class A shares of the par value of \$1 each issued May 30th, 1961 as fully paid and non-assessable by the application and capitalization of \$255,000 of the tax-paid undistributed income of the Company (as defined in the Income Tax Act of Canada).
- (b) 255,000 Class A Shares of the par value of \$1 each issued April 7th, 1962 as fully paid and non-assessable by the application and capitalization of \$255,000 of the tax-paid undistributed income of the Company (as defined in the Income Tax Act of Canada).

24. No obligations are being offered by this prospectus.

25. No services have been rendered or are to be rendered to the Company which have been paid for within the two years preceding the date hereof or are to be paid for by securities of the Company.

26. No amount has been paid within the two years preceding the date hereof or is intended to be paid to any promoter.

27. The dates of and the parties to and the general nature of every material contract entered into by the Company within the two years preceding the date hereof, other than contracts entered into in the ordinary course of business carried on by the Company, are as follows:

- (i) Agreement referred to in paragraph 12 hereof.
- (ii) Deed dated September 6, 1960 by which the Company purchased from the Corporation of the City of Ottawa certain lands for \$37,103.
- (iii) Deed dated October 11, 1960 by which the Company purchased from Marcel Leblanc certain lands for \$63,000.
- (iv) Deed dated October 11, 1960 by which the Company purchased from Peter Aldege Schnobb certain lands for \$40,900.
- (v) Deed dated October 13, 1960 by which the Company purchased from Auguste Martineau certain lands for \$47,500.
- (vi) Deed dated October 27, 1960 by which the Company purchased from the National Capital Commission certain lands for \$28,240 and the exchange of other lands.
- (vii) Deed dated November 14, 1960 by which the Company purchased from Sebour Realty Limited certain lands in connection with its downtown warehouse site for \$125,000.
- (viii) Agreement dated January 4, 1961 between the Company and Ajax Air Conditioning Co. Ltd. providing for the installation of air conditioning equipment in the Company's main store for \$38,952.
- (ix) Agreement dated January 5, 1961 between the Company and Evans and Bellman Co. Ltd. providing for the installation of air conditioning ducts for \$12,000.
- (x) Deed dated April 18, 1961 by which the Company purchased from Clarence C. Baker certain lands in connection with its downtown store for \$750,000.
- (xi) Agreement dated June 2, 1961 between the Company and Shoppers City Limited providing for the construction of a building in the Township of Nepean and the leasing of part of the building to the Company for a twenty year term at a minimum annual rental of \$150,720 and options for renewal.
- (xii) Agreement dated December 22, 1961 between the Company and Queensway Park Shopping Centre (Ottawa) Limited and M. Loeb Limited and Shoppers City Limited providing for the sale by the Company of certain lands in the Township of Gloucester for the price of \$532,143 and for the construction of a building thereon and for the leasing of a part of the building to the Company for a twenty-five year term at an annual minimum rental of approximately \$150,000 and options for renewal.

Copies of the foregoing agreements may be inspected during ordinary business hours at the Company's head office, 73 Rideau Street, Ottawa, Ontario, while the securities offered by this prospectus are in the course of primary distribution to the public.

28. The Company does not at present time propose to acquire any property in which any director of the Company was or is interested.

29. The Company has been carrying on business for more than three years.

30. Lawrence Freiman, 250 Sylvan Road, Rockcliffe Park, Ontario, is in a position to elect or cause to be elected a majority of the directors of the Company and will continue to be in such position after the sale of the shares hereby offered. In certain events Dorothy Alexandor and Queene Luxenberg or the survivor will be in a position to elect or cause to be elected a majority of the directors of the Company.

31. No securities of the Company of the same class as those offered by this prospectus are held in escrow.

32. During the five years preceding the date hereof the Company paid the following dividends:

4½% Cumulative Redeemable Sinking Fund Preferred Shares		Common Shares	
	Cash	Cash	Stock Dividends
1957.....	\$25,167	\$ 93,500	
1958.....	23,537	106,250	
1959.....	20,806	127,500	
1960.....	16,573	127,500	
1961.....	14,214	21,250	255,000 Class A Shares
1962.....	1,967		255,000 Class A Shares

33. There are no other material facts not disclosed in the foregoing.

Dated April 27, 1962.

The foregoing constitutes full, true and plain disclosure of all material facts in respect of the offering of securities referred to above as required by Part IX of The Securities Act, 1955 (Alberta), section 39 of The Securities Act, 1954 (Saskatchewan), section 39 of The Securities Act (Ontario), section 13 of the Security Frauds Prevention Act (New Brunswick) and under the Quebec Securities Act, and there is no further material information applicable other than in the financial statements or reports where required or exigible.

Directors

(Signed) LAWRENCE FREIMAN	{	DOROTHY ALEXANDOR
(Signed) QUEENE LUXENBERG		G. E. BEAMENT
(Signed) F. A. MATATALL		CHARLES GAVSIE
(Signed) WARD C. PITFIELD		S. HERMANT
		by their agent
	(Signed) LAWRENCE FREIMAN	

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts in respect of the offering of securities referred to above as required by Part IX of The Securities Act, 1955 (Alberta), section 39 of The Securities Act, 1954 (Saskatchewan), section 39 of The Securities Act (Ontario), section 13 of the Security Frauds Prevention Act (New Brunswick) and under the Quebec Securities Act, and there is no further material information applicable other than in the financial statements or reports where required or exigible. In respect of matters which are not within our knowledge we have relied upon the accuracy and adequacy of the foregoing.

Underwriter

W. C. PITFIELD & COMPANY, LIMITED
Per (Signed) HUGH H. MACKAY
Director.

The following includes the names of every person having an interest, either directly or indirectly, to the extent of not less than five per centum in the capital of W. C. Pitfield & Company, Limited: A. S. Torrey, H. H. Mackay, P. R. Payn, W. C. Pitfield, E. S. Morse, E. F. C. Kinnear, R. L. Hunter, W. Y. Soper, K. M. Sedgewick and D. L. Torrey.

Common Shares without Nominal or Par Value (cont'd)

PAYMENT DATE	RATE PER SHARE	AGGREGATE AMOUNT
1954 Feb. 1	.12½	10,625
May 1	.12½	10,625
May 1	.50	42,500
Aug. 1	.12½	10,625
Nov. 1	.12½	10,625
1955 Feb. 1	.12½	10,625
May 1	.12½	10,625
May 1	.50	42,500
Aug. 1	.12½	10,625
Nov. 1	.12½	10,625
1956 Feb. 1	.12½	10,625
May 1	.12½	10,625
June 1	.50	42,500
Aug. 1	.12½	10,625
Nov. 1	.12½	10,625
1957 Feb. 1	.12½	10,625
May 1	.12½	10,625
June 1	.60	51,000
Aug. 1	.12½	10,625
Nov. 1	.12½	10,625
1958 Feb. 1	.12½	10,625
May 1	.12½	10,625
May 10	.75	63,750
Aug. 1	.12½	10,625
Nov. 1	.12½	10,625
1959 Feb. 1	.12½	10,625
May 1	.25	21,250
May 1	.62½	53,125
Aug. 1	.25	21,250
Nov. 1	.25	21,250
1960 Feb. 1	.25	21,250
May 1	.25	21,250
May 1	.50	42,500
Aug. 1	.25	21,250
Nov. 1	.25	21,250
1961 Feb. 1	.25	21,250
May 1		
Stock dividend		
Declared 255,000—Redeemed		192,942
1962 May 1		
Stock dividend		
Declared 255,000—Redeemed		317,058

SUBSIDIARY COMPANIES

McCOY SERVICE LIMITED was incorporated in June 1944 as a private company under The Companies Act (Ontario). Its authorized capital consists of 4,000 5% redeemable preference shares of the par value of \$25 each and 4,000 common shares without nominal or par value. In September 1948, 3,309 preference shares and 3,447 common shares, being all the outstanding shares of this company were acquired by and are now owned and/or controlled by the Company. Until December 31, 1960, this subsidiary operated certain departments in the Company's Westgate Shopping Centre store which are now being operated by the Company. McCoy Service Limited ceased carrying on active operations as from January 1, 1961.

FREIMAN DRUGS LIMITED was incorporated in February, 1937, as a private company under The Companies Act (Canada) with an authorized capital of \$50,000 divided into 50,000 shares of the par value of \$1 each. 15,481 shares have been issued and are outstanding and are all owned and/or controlled by the Company. This subsidiary was incorporated in order to comply with the requirements of The Pharmacy Act of Ontario relating to the operation of drug departments in the Company's stores.

FREIMART STORES LTD. was incorporated in June, 1961 as a private company under The Companies Act (Canada) with an authorized capital of \$100,000 divided into 100,000 shares of the par value of \$1 each, all of which have been issued and are outstanding and are owned and/or controlled by the Company. This subsidiary operates discount department stores.

LISTING ON OTHER STOCK EXCHANGES

The Company has applied for listing of 765,000 common shares without nominal or par value on the Montreal Stock Exchange only.

STATUS UNDER SECURITIES ACTS

The Company has filed all documents required in order to obtain authorization for the sale in all Provinces of Canada except Prince Edward Island and Newfoundland of the 208,116 shares offered by the attached Prospectus.

FISCAL YEAR

The fiscal year of the Company ends on the 31st day of December in each year.

ANNUAL MEETING

The By-laws of the Company provide that the annual meeting of the shareholders of the Company shall be held at the principal office or elsewhere in Canada on such day in each year as the board of directors may by resolution determine. The last annual meeting of the Company was held on April 24th, 1962.

HEAD OFFICE

The head office of the Company is at 73 Rideau Street, Ottawa, Ontario.

TRANSFER AGENT AND REGISTRAR

The Royal Trust Company at its offices in the Cities of Toronto, Montreal, Ottawa, Halifax, Winnipeg and Vancouver is the transfer agent and registrar for the preferred and common shares of the Company.

TRANSFER FEE

There is no transfer fee payable on the transfer of the Company's shares other than the customary Government stock transfer taxes.

AUDITORS

The auditors of the Company are Messrs. Price Waterhouse & Company, Chartered Accountants, 77 Metcalfe Street, Ottawa, Ontario.

OFFICERS

Lawrence Freiman	President and Managing Director	250 Sylvan Road, Rockcliffe Park, Ontario.
Frederick Almon Matatall	Executive Vice-President	R.R. No. 2, Bell's Corners, Ontario.
Benjamin Luxenberg, Q.C.	Secretary Barrister	72 Old Forest Hill Road, Toronto, Ontario.
Bernard Morris Alexandor, Q.C.	Treasurer Barrister	68 Park Road, Rockcliffe Park, Ontario.
George Wooster	Assistant Secretary Accountant	543 Wolddale Avenue, Ottawa, Ontario.

DIRECTORS

Lawrence Freiman	Merchandising Executive	250 Sylvan Road, Rockcliffe Park, Ontario.
Dorothy Alexandor	Married Woman	68 Park Road, Rockcliffe Park, Ontario.
George Edwin Beament, Q.C.	Barrister	234 Driveway, Ottawa, Ontario.
Charles Gavsie, Q.C.	Advocate	3225 Cedar Avenue, Westmount, Quebec.
Sydney Hermant	Manufacturer	212 Heath Street West, Toronto, Ontario.
Queene Luxenberg	Married Woman	72 Old Forest Hill Road, Toronto, Ontario.
Frederick Almon Matatall	Merchandising Executive	R.R. No. 2, Bell's Corners, Ontario.
Ward Chipman Pitfield	Investment Dealer	6 Highland Avenue, Toronto, Ontario.

CERTIFICATE OF OFFICERS

Pursuant to a resolution passed by its board of directors the applicant Company hereby applies for listing of the above mentioned securities on The Toronto Stock Exchange, and the undersigned officers thereof hereby certify that the statements and representations made in this application and in the documents submitted in support thereof are true and correct.

{ Corporate
Seal }

A. J. FREIMAN LIMITED
"LAWRENCE FREIMAN"
President
"F. A. MATATALL"
Executive Vice-President

CERTIFICATE OF UNDERWRITER

To the best of our knowledge, information and belief, all of the statements and representations made in this application and in the documents submitted in support thereof are true and correct.

{ Corporate
Seal }

W. C. PITFIELD & COMPANY, LIMITED
"WARD C. PITFIELD"
"L. P. CHALMERS"

STATEMENT SHOWING NUMBER OF SHAREHOLDERS

Distribution of common stock as of July 31st 1962.

Number	Holder of	1	—	100	share lots	Shares
727	101	—	200	" "	53,818
174	201	—	300	" "	32,681
69	301	—	400	" "	19,715
29	401	—	500	" "	11,112
44	501	—	1000	" "	21,850
35	1001	—	up	" "	31,394
24					594,430
1,103	Stockholders					Total shares 765,000